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UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF CALIFORNIA, FRESNO DIVISION

In re:

TULARE LOCAL HEALTHCARE
DISTRICT dba TULARE REGIONAL
MEDICAL CENTER,

Debtor.

Case No.: 17-13797-9-B

Chapter 9

Date: June 26, 2018
Time: 9:30 a.m.
Dept: B, Ctrm. 13
Place: U.S. Courthouse
2500 Tulare Street, 5TH Floor
Fresno, CA
JUDGE: Hon. René Lastreto, II

**REPLY OF HEALTHCARE CONGLOMERATE ASSOCIATES TO DEBTOR'S
CHAPTER 9 STATUS REPORT**

TO THE HONORABLE RENÉ LASTRETO, UNITED STATE BANKRUPTCY JUDGE:

Healthcare Conglomerate Associates, LLC ("HCCA") submits the following status
report in response to Second Chapter 9 Status Report ("District's Report") filed by Tulare
Local Healthcare District, dba Tulare Regional Medical Center ("District"):

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1 1. The District's Report contains several statements which, for self-serving
2 purposes, falsely characterize the relationship between the District and HCCA and deliberately
3 ignores the broad authority unanimously granted to HCCA by the District's Board, under the
4 terms of the Management Services Agreement between the parties ("MSA"). HCCA's conduct
5 and decisions during its tenure at the District were all consistent with the terms of the MSA and
6 resulted in dramatic financial gains for the District as previously noted in declarations and
7 pleadings filed with this Court. The facts regarding HCCA's conduct and decisions, as well as
8 the conduct and decisions of the District, are the subject of two separate adversary proceedings
9 pending in this court and will eventually be determined at the conclusion of those proceedings.
10 HCCA reserves the right to refute the statements made in the District's Report at the
11 appropriate time and in the appropriate proceeding.

12 2. HCCA agrees with the District that it would be appropriate to set a further status
13 Chapter 9 Status Conference in this case in about six months. As disclosed in the District's
14 Report, formal mediation efforts between the District and HCCA during an all-day mediation
15 session in Los Angeles before the Honorable Dickran Tevrizian (Ret.) ultimately proved
16 unsuccessful in implementing a settlement between the District and HCCA. Ongoing informal
17 discussions towards a settlement of the disputes between HCCA and the District are presently
18 underway. Such discussions may prove fruitful and avoid further costly and time-consuming
19 litigation, which will only impair the District's efforts to reopen its hospital.

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21 Date: June 12, 2018

ORRICK, HERRINGTON & SUTCLIFFE LLP; and
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24 BY: 

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